



4.4 The contribution of certification to the pulp and paper sector

JOHN HONTELEZ

Introduction

Tropical forests continue to shrink, and expansion of agriculture is the main reason. Some of this is subsistence farming, but in recent decades commercial agriculture has taken the lead, first with beef and soy in Brazil, later with oil palm in Indonesia, Southeast Asia and also now in Africa. Zero deforestation campaigners and researchers today talk of the “big four,” adding the conversion of forest to fast-growing plantations for the production of paper, pulp and timber. Zero deforestation is not just about maintaining forest cover – maintaining forest quality is also essential. In tackling the drivers of deforestation, wood processing industries have had a reliable tool in FSC forest certification, which ensures transparency in compliance with measures that guarantee responsible forest management with both environmental and social safeguards. However, scientific research sometimes leads to confusing interpretations of the impact of certification on deforestation.

Whether a plantation is a forest is an important and recurring issue. FAO defines plantations for wood and paper production as “forests” (whereas oil palm plantations are regarded as “other land”; FAO 2015), so conversion from a forest to a plantation is strictly speaking not “deforestation.” But where such plantations are the result of conversion of (semi-)natural forests, this can cause an important reduction in biodiversity, carbon stocks and cultural values. FSC, along with many others, is critical about such conversion and includes prevention of this in zero deforestation ambitions. FSC does certify established tree plantations, however, recognizing that they play an important role in the production of forest materials, and in so doing, also reduce the pressure on natural forests. Plantations can fulfil important social and ecological functions provided that they are managed according to FSC standards. But FSC does not regard plantations as having equal ecological value to natural forests, and rejects forest conversion into plantations.



CERTIFICATION WORKS,
AND HAS WORKED, AS
PART OF A FORMAL
ECONOMY.

Increasing tropical supplies

Paper and paperboard are increasingly produced with recycled materials and a small part is of agricultural origin; this article focuses on the increase in pulp-for-paper production from tropical forests. Between 2010 and 2015, the tropical share of global pulp production increased from 11% to 15%, an increase of 29% in absolute figures (FAO 2011; 2016, which excludes India). Brazil was already the leading tropical pulp producer in 2010, when



it produced 7% of global pulp (61% of tropical pulp), reaching 10% (65% of tropical pulp) in 2015 after a 37% increase in volume. It is now the second largest pulp-producing country in the world after the USA, surpassing China and Canada, which both saw a 15% decline in this period. Indonesia is the second largest tropical pulp producer, but far behind Brazil, moving from 3% of world production in 2010 (26% of tropical pulp) to 4% in 2015 (still 26% of tropical pulp), which was a 28% increase in absolute production over that time. Together, Brazil and Indonesia now produce 91% of tropical pulp, with Thailand coming third (4%), and

no other tropical country surpassing 2%. Though this does not mean that the threat of unsustainable pulp production is limited to these few countries, as at smaller scales, pulp production can still cause serious forest degradation and deforestation impacts.

Industry and the challenges

Working in countries with poor enforcement of forest, environmental and labour laws, with risks for those fighting against legal and illegal deforestation practices, individual paper and pulp companies make voluntary commitments to zero deforestation and zero degradation practices that are of utmost importance. Some companies made commitments to initiatives such as the Consumer Goods Forum or the New York Declaration on Forests. But the main driver for action in this sector has been the tool introduced originally in Western Europe and North America two decades ago — forest management and product certification — due to a growing concern that paper production was causing deforestation. One response was the increase in recycling; another was to require evidence of responsible origin. The FSC label in particular became a symbol for both responsible origin and verified recycling.

The efforts of individual companies, several of which joined FSC as members, led to a global commitment to sustainable production in 2013 by the International Council of Forests and Paper Associations (ICFPA). The council represents 90% of the world's paper production and 50% of the world's pulp and paper production forests, spread across most large production countries (but not Indonesia). ICFPA publishes biannual sustainability progress reports, and one of its six specific commitments is sustainable forest management, the indicator being forest certification. ICFPA's 2015 report claims that its members owned/sourced from 302 million certified ha in 2012–13, representing 52% of all the area used by its members, although 98% of this was in North America or Western Europe.

Brazil and Indonesia

In Brazil, the paper and pulp industry has undergone major changes in the last decade. In 2015, there were 5.5 million ha of certified plantations (2.7 by FSC; 0.5 by CERFLOR, the national PEFC member, and 2.3 certified by both FSC and CERFLOR), representing 58% of all the country's pulp-producing forests. Paper production in Brazil is concentrated in the south and midwest in heavily degraded areas. FSC certification means that plantations either date to before 1994 or have been established on non-forest lands; it also means that forest managers apply improved environmental and social practices and set aside nature conservation areas.

In Indonesia, two domestic companies, APRIL and APP, produce more than 75% of the country's pulp (TFA 2016), and both of them have been accused of deforestation and forest degradation. APP-related companies held several FSC chain of custody (CoC) certificates, but FSC decided to cut ties with the company in 2007 due to substantial evidence that APP was involved in destructive forestry practices. In 2013, FSC also cut ties with APRIL; this was related to its first CoC certificates and following a complaint that the company was violating the FSC Policy for Association.

Pressure from clients and NGOs stimulated both companies to adopt non-deforestation policies and to work towards FSC recognition and certification. Both joined the Tropical Forest Alliance and PEFC International. APP is active in the alliance's Indonesia Initiative, which aims to "reduce and eliminate" deforestation from the palm oil and paper and pulp supply chains, and the company is now present at many international gatherings, sharing how it engages with local communities and smallholders in restoration projects. Greenpeace (which has been advising APP in the start-up of its transformation) and WWF maintain pressure, including through assessments of real progress. APP approached FSC in December 2012; APRIL in June 2014, and negotiations about lifting the disassociation decisions are ongoing. Required actions include compensation for converted or cleared natural forest areas through restoration and supporting conservation measures, alignment of new plantations with FSC definitions and rules (as long as they have resulted from natural forest conversion since 1994), due diligence on all forest material used, and public reporting about progress.



FSC prohibits deforestation and degradation

FSC has strict requirements that ensure that certified forest managers maintain forest cover and maintain or enhance forest structure, function, biodiversity and productivity. These requirements include indicators for planning and monitoring forest management interventions, assessing risks, and evaluating impacts. FSC does not allow deforestation in certified forest areas or the conversion of natural forest areas to plantations or other

forms of forest ecosystem degradation (except in very limited areas and only under certain conditions, e.g., not high conservation value land, and only if this conversion would enable clear, substantial, additional and secure long-term conservation benefits). This is complemented by specific requirements for the maintenance and enhancement of high conservation value areas (FSC 2012). FSC requires forest owners and managers to minimize the negative impacts of management interventions to avoid or compensate for any form of forest degradation. In 2016 FSC started to phase in its new International Generic Indicators. These increase consistency among forest management requirements, while still allowing for specific interpretations depending on forest type and state, size of forest management units, and specific social and ecological situations (FSC 2016).

To avoid any risk of “greenwashing” earlier forest conversion, FSC has not allowed the certification of plantations that were converted from natural forest after 1994, except when there is sufficient evidence that the forest manager or owner is not responsible, directly or indirectly, or the conversion affected a very limited portion of the area and is producing clear, substantial, additional and secure long-term conservation benefits in the proposed management unit (FSC 2012). FSC is currently revisiting this rule, however, to see how it can allow certification where it may be instrumental in achieving positive environmental and social impacts by converting degraded forests.

Any company that is a member of FSC or uses FSC certificates (including CoC for processing and trade) has to comply with FSC’s Policy for Association. This requires companies to prevent specific forest-negative activities anywhere in their reach, including forest conversion to plantations or non-forest use, and destruction of high conservation value areas. FSC has a robust system of safeguards to make sure that certified forest managers adhere to these requirements, including third-party certification and control, accreditation of certification bodies by a specialized organization, annual audits, stakeholder consultations, and a dispute resolution system.



The importance and impacts of FSC today

There are almost 200 million hectares of FSC-certified forests in the world today, sustainably managed and free of deforestation and degradation. Spread over 83 countries, this represents around one-eighth of the world’s managed forests, roughly

21 million ha of which are in the tropics and subtropics. In 2014, FSC estimated that 300 million cubic metres of wood came from FSC-certified forests: one-sixth of the world’s industrial roundwood production (FSC 2015).

Demand from processing industries plays an important role, and many corporations with global reach have committed to further increase their use of FSC-certified materials. For example, beverage carton producers Tetrapak, SIG Combiblock and Elopak have achieved their 100% FSC certification target (Proforest 2016). Kimberly-Clark has announced that

by 2025, it will strive to obtain 90 percent of the fibre for its tissue products from environmentally preferred sources. This includes FSC-certified wood fibre, recycled fibre and sustainable alternative fibres. Another example is IKEA, which has sourced 50 percent of its wood from either FSC-certified or recycled sources by 2015 and it is committed to reaching 100 percent by 2020 for all its wood, paper and cardboard (IKEA 2015). The cases of APP and APRIL in Indonesia also show that the popularity of FSC in the market creates a strong negotiation position to change the behaviour of companies that have been involved in deforestation.

Despite all the satellite data available, information about forest degradation and deforestation remains incomplete on a global scale. Analyzing the same data, various experts come to different results, due to their political agendas, research questions and approaches, and interpretations of degradation and deforestation. Evaluating the impacts of forest certification on avoided deforestation and forest degradation is important but challenging. It is particularly difficult to discern the impacts of certification from those relating to other forest management decisions, and the identification of comparable, uncertified forest management entities is often problematic.

Research is often not designed to identify and assess direct certification-related effects separately, but looks at forest development from a broader angle. Inclusion of areas that were not certified at the start of the certification period complicates conclusions about impacts on deforestation during the period when certification determined the activities of the forest managers. While researchers are usually aware of this problem, summaries or media coverage of such studies can give the impression that FSC certification does reduce deforestation and forest degradation, but does not halt it. Other studies are more clear: FSC-certified forests had no significant negative impacts on species diversity or abundance in three certified forests in Bolivia, while in portions of Brazil's Atlantic Forest, certified forests retained more natural areas than other parts of the watersheds (Price 2010), with enhanced biodiversity conservation through measures such as expanded riparian protection, the identification and conservation of high conservation value areas, and protection for a broader range of rare species. According to Price 2010, "The certified areas resulted in improved conservation management status because under FSC, managers must develop a management plan for the area, monitor and inventory natural areas regularly and use the information derived from monitoring efforts to abate any threats (including fires and poaching)."

Conclusions

Voluntary forest certification can be an effective tool to ensure deforestation-free supply chains for pulp and paper production. Standards such as FSC add value and ensure that the quality of natural forests and plantations is maintained and increased, and can provide social benefits for workers and local communities. Forest certification has the benefit of third-party verification, which may be more bureaucratic, but makes clients less dependent on company commitments, and builds trust with consumers. Forest certification makes it possible for consumers and the processing industry to insist on and reward

zero deforestation commitments and sustainable forest management practices. Most forest management interventions involve disturbances to the forest ecosystem; FSC standards require certified forest management to reduce and mitigate negative impacts as much as possible, to establish and learn from set-aside areas that increase biodiversity, and to more widely apply sustainable forestry best practice.

With the paper and pulp sector, certification works and has worked, since it is part of a formal economy, with producing companies exposed to societal demands and with



leverage with their suppliers. But certification is not a catch-all solution for the tropics. It requires clear and legal property and concession rights; it requires foresters who have an interest in planned management; and it requires either an economic benefit from certification in terms of price premiums and/or stable demand for products, or a sponsor who assists with the initial investment. It does not work where the market is informal and where illegal logging is the rule.

And finally, certification is voluntary (unless a government requires it by law or for its public procurement policies), so a company can decide to certify only part of its forests/ plantations and leave the rest outside the scope of the certificate, or at any point end its certificate, so that it is not bound to the certificate's rules. Although FSC's Policy for Association binds signatories to a non-conversion requirement for all operations, this does not exist with other forest certification schemes.

With the other three of the "big four" commodities — beef, soy and palm oil — certification schemes have also emerged as a tool to improve production methods, reduce environmental impacts and increase social benefits. For these schemes to help prevent deforestation, they must ensure that companies do not and have not for a certain number of years, been engaged in or benefited from, deforestation for clearing land for commodity production. Backtracking a number of years is important; otherwise, there is a risk of "greenwashing" the deforestation that happened before certification. FSC's experience over two decades has shown the crucial importance of a balanced multi-stakeholder decision-making structure, a membership organization, working with a specialized accreditation agency, and transparency and complaints procedures.

References

- FAO (Food and Agricultural Organization). 2016. *State of the World's Forests 2016*. Rome, Italy: FAO.
- FAO (Food and Agricultural Organization). 2015. *FRA 2015 – terms and definitions*. Rome, Italy: FAO.
- FAO (Food and Agricultural Organization). 2011. *State of the World's Forests 2011*. Rome, Italy: FAO.
- FSC. 2016. *International Generic Indicators*. FSC-STD-60-004 V1-0. Bonn, Germany: Forest Stewardship Council.
- FSC. 2015. *Global Volume of FSC Wood Produced Annually*. Bonn, Germany: Forest Stewardship Council.
- FSC. 2012. *FSC Principles and Criteria for Forest Stewardship*. FSC-STD-01-001 V5. Bonn, Germany: Forest Stewardship Council.
- IKEA. 2015. *People & Planet Positive: IKEA Group Sustainability Strategy for 2020*. Delft, the Netherlands: IKEA.
- Price, F. 2010. "The Nature Conservancy and tropical forest certification." Biodiversity conservation in certified forests. *ETFRN News* 51. Tropenbos International, Wageningen, the Netherlands.
- Proforest. 2016. *ACE converts self-commitment on third-party verified traceability systems for wood fibres*. 9th Annual Report. Oxford, UK: Proforest.
- TFA (Tropical Forest Alliance). 2016. *TFA Annual Report 2016*. Geneva, Switzerland: Tropical Forest Alliance.